

Off to See the Wizard

Demystifying Your Financial Relationships

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Background

Financial relationships are an often-overlooked responsibility for the acquisitions librarian. Certainly much attention is paid to the management of the budget, budget allocation, and internal reporting of expenditures, particularly in subject and format categories. Today's automated acquisitions systems have made these facets of managing the library's materials budget much easier. However, no automated system can provide the personal financial relationships needed by an acquisitions librarian to successfully order, receive, and pay for library materials. This article will identify the types of individuals engaged in financial activities that may impact the acquisitions librarian, will discuss why financial relationships with these individuals are important to the acquisitions librarian, and will discuss how relationships with these individuals can be enhanced.

The Individuals Involved in Financial Relationships

Although the author's personal context is the university environment, most organizations include the financial activities listed below. These are the individuals engaged in financial activities within an organization with whom an acquisitions librarian needs to interact. These can include the following:

- Library budget officer
- Director of the library
- Purchasing
- Accounts payable
- Financial management, including individuals responsible for developing the university's budget and for handling the university endowments
- Auditors (internal as well as state auditors)
- Agencies on campus that handle research funds and grants
- Legal services

These individuals have specific roles within the organization, and their activities affect the purchasing process for library materials.

Library Budget Officer

Although the acquisitions or collection development librarian may have significant responsibility for the allocation and management of the materials budget, a library may also have an internal budget officer who oversees the entire library budget. The budget officer's primary management responsibilities may focus on other portions of the library's budget, such as personnel and operating, but it is likely that this person is also generally responsible for the entire budget. In some institutions, the actual processing of invoices for the materials budget may reside in this office rather than in the acquisitions department. In either case, this individual will have an impact on the acquisitions librarian and the materials budget. Even though the acquisitions librarian may have signature authority on the materials budget, budget officers are often recognized by the organization as the single point of contact for information related to budgets for the library. The monthly financial accounting reports generated at the university level are usually sent to this person's attention. The reports needed by the acquisitions department are often a subset of those received by the budget officer, and copies must be made for the acquisitions department. More important, the budget officer is usually the only recipient of information such as the last dates each month for processing invoices or deadlines related to year-end closing activities.

Director of the Library

Ultimately, the director of the library is usually the authority for all budget matters related to the library (and works closely with the budget officer mentioned above). Requests for financial information from outside the library may need to be cleared with the director to ensure that the appropriate information is being provided. The director usually will have additional insight into the nature of the request and, thus, a clearer picture of the best presentation of the information and any aspects that may need clarification. Still, it is important for whomever receives the call to explore exactly what information is needed and its intended purpose.

Purchasing

In most university libraries, library materials purchasing is delegated to the acquisition department and does not go through the university's purchasing department. However, in other types of libraries, acquisitions may have to issue its orders through purchasing. Thus the acquisition librarian needs to have a productive and workable relationship with the purchasing department. The acquisitions librarian must understand the university's principles and requirements related to purchasing so that all expectations can be met. The quickest way to lose the right to purchase independently is to ignore the requirements in this area. Libraries may be required to competitively bid some of their contracts, such as serials subscriptions or approval plans. If this is required, the bid process will likely be handled by the purchasing department.

Accounts Payable

Accounts payable is usually the office that issues the checks for the invoices submitted by the library for books and serials purchased. This office also maintains the primary accounting mechanisms for library accounts.

Financial Management

Since the accounts payable office is focused primarily on the process of paying invoices and reflecting those payments accurately against the library's accounts, there may be another office, i.e. financial management, which includes individuals responsible for developing the university's budget and for handling the university endowments. This office may handle any requests to move money from one line in the budget to another. In addition, it is often responsible for working with the library for projecting the budget increases needed to sustain the purchasing power of the materials budget. If a library has endowment accounts, the accounts will likely be managed by this office. This office will manage the income generated by these accounts and will be responsible for enforcing any terms of the endowment. For example, the terms of the endowment may require that one-third of the annual income be returned to the principal if not spent by a particular date each year. In such cases it is important for the acquisitions librarian to work with this office to determine how encumbrances against the account (for material not yet received) will be handled if the funds are to be returned to principal.

Auditors (Internal as Well as State Auditors)

Generally, any discussion of being audited strikes fear into the heart of the acquisitions librarian. Most acquisitions librarians do not seek the auditors out and usually have no desire to bring the acquisitions department to their attention. However/ there actually are cases where it is desirable to seek their advice. For example, when purchasing a new automated acquisitions system, it would be useful to have their advice on the requirements that the system must meet particularly if the library is subject to regular audits or if the acquisitions department has a great deal of delegated authority from the institution. Auditors can be allies in getting the automated systems vendor to design new features so that internal auditing requirements can be met. They can also provide valuable insight into the new workflows required by automation and the transition from paper to online audit trails.

Agencies on Campus That Handle Research Funds and Grants

Some libraries have the opportunity to purchase library materials from grant funds. In such cases, the acquisitions department may encounter an entirely new set of requirements and offices with which the department will need to interact. Universities often manage all research funding through a separate research entity that has its own purchasing and accounts payable operations separate from the university. Although libraries do not often receive grants directly for the

purchase of library materials, the library may receive an allocation for materials from larger grants on campus. Then the library will also be subject to the terms of the grant, particularly requirements that the funds be expended by a certain date.

Legal Services

The library materials purchasing world has become increasingly complicated as libraries add new formats of material. The purchase of materials with licenses or new access methods often requires the services of attorneys to review contracts and negotiate changes. This is one of the most significant new relationships that acquisitions librarians should be cultivating. Establishing a strong relationship with the attorney on campus who is assigned to the library is worth the tremendous investment in time often required. What takes the most time is educating the attorney about the type of products being purchased, about the library's particular network environment, and the time constraints involved.

Why Establish Such Relationships?

Why should the acquisitions librarian establish relationships with these individuals? This point can best be illustrated through a series of examples:

1. Having a name to contact in an unexpected crisis. In addition to knowing whom to contact, the acquisitions librarian will have an established relationship with that person when the crisis arises. An established relationship carries with it an impression of the librarian's knowledge, position in the organization, and competence. Calls may be returned more quickly when the individual contacted knows the librarian and is aware of the librarian's expertise and experience.
2. Knowing what to expect and surviving an audit
3. Knowing whom to contact for day-to-day problems
4. Knowing someone to contact when an exception to the rules is needed
5. Knowing whom to contact when something must be expedited
6. Knowing someone to contact who can help identify a solution that works for both parties when a major workflow or process is not working
7. Providing a starting point for beginning to work on new projects, such as interfacing the acquisitions system with the university's accounting system
8. Getting on the mailing list directly for changes in policies or documentation
9. Getting advance notice of new projects and being considered for beta testing or at least first-phase implementation

In many ways this is an extension of the networking that is considered vital to the librarian's professional life. It's important to remember to extend that networking within the institution as well as among librarian colleagues.

How Do You Establish These Relationships?

The primary way to establish good working financial relationships is through education. First and foremost, acquisitions librarians should educate themselves. The library budget officer and library director are first points of contact to find out about the library's relationships with these agencies. For example, the library's budget officer may have worked in financial management at the university level prior to working in the library. With such a background, the budget officer will know who is responsible for what, who is reliable, who is powerful, etc. The budget officer may also be aware of educational opportunities that the financial areas provide for anyone on campus.

Attend workshops, or if none are available, ask for tours of particular operations. (Just remember not to ask to see accounts payable during the first month of the fiscal year or the last one!) Some organizations will have a financial training operation whose sole purpose is to coordinate workshops on financial activities within the organization, such as working with accounts payable, completing the forms used to work with budgets, etc. The acquisitions librarian should attend these workshops and not just send the staff. Although the librarian may already know a great deal of the information provided, it is likely that there will be enough new information to justify attendance. The author attended such a series of workshops recently. During those sessions, the director of financial training sought the author out during the first break to commend her for attending, since the apparent trend is for supervisors to send their staff and not know how the process works themselves. It was also at one of these workshops that the author learned that the university was about to start a new service that would allow individuals (with appropriate authorization) to receive a weekly check register via e-mail. Prior to this the check register was sent to the library budget officer once a month in paper several weeks into the new month. This new service provides a weekly report (on Monday) of all the checks written on the library's accounts for the previous week. This has enabled the acquisitions department to track check payments very quickly and balance budgets more accurately.

Finally, in the process of learning about these officers, the acquisitions librarian will have opportunities to educate them about the libraries. First and foremost, do not expect them to learn library lingo; learn their terminology instead. Present information and problems to them in terms that are meaningful in their areas of expertise. This should include not only the words that are used, but also the way in which the problem is presented. For example, vendors often change names or are bought by others. When a check is written to the old vendor by mistake, do not call accounts payable staff and say, "You made a mistake and wrote this to the wrong vendor." Call them instead, and indicate that the vendor has been purchased by someone else and a new vendor address is needed for them in the accounts payable system so that this check can be reissued and future ones issued to the new vendor. How are they supposed to keep up with the changes in the library industry when they have at least a hundred other industries to manage as well?

Be positive, not adversarial, in approaching problem resolution. Learn how to complete the forms the way *they* want them completed. Find out where the library doesn't fit into the norm, and negotiate a solution acceptable to both parties. What form of communication do they prefer? Does the accounts payable representative only take phone calls in the morning, leaving her uninterrupted in the afternoon? If so, communicate by phone when necessary, but also consider using fax and e-mail options where appropriate and acceptable to the recipient. Find out what deadlines exist and abide by them. Ask for exceptions only when they are really needed. They will be honored more often and with less resistance if not requested too frequently. Explore technological solutions that might lead to quicker problem resolution. OSU Libraries was recently granted access to the accounts payable database so that the status of invoices could be checked directly. In the past, each need to check on the status of an invoice required a phone call to the

accounts payable representative. Now a phone call is required only when the invoice does not appear on the system.

Conclusion

One reaction to these suggestions is a concern about where to find the time to do this in addition to everything else required of the acquisitions librarian. This investment in time does pay off in the long run, but these relationships are not built overnight. Bite off small manageable chunks first, and pursue the relationships that are most important to the library's current situation. If the library has no grants at this time, then don't bother with that relationship until grant participation becomes a possibility. Focus instead on accounts payable, with whom virtually all acquisitions departments must interact daily. Financial relationships are essential to strong acquisitions management. Identify the individuals who are involved in financial activities in the organization; learn about their rules, regulations, and preferences; and cultivate networks among these individuals.